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Government of Newfoundland and Labrador's

**REQUEST FOR PROPOSALS (RFP)
for**

**Corner Brook
Acute Care Hospital Project**

Fairness Advisor's Final Report

Submission Date:
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1. Introduction

RFP Solutions Inc. was engaged by the Government of Newfoundland and Labrador (GNL) as a Fairness Advisor (FA) to observe the competitive procurement processes through a Request for Qualifications (RFQ), followed by a Request for Proposals (RFP) for an Acute Care Facility in Corner Brook, Newfoundland. RFP Solutions Inc. was engaged on January 31, 2018 through a competitive process conducted by the Government of Newfoundland and Labrador.

RFP Solutions Inc. hereby submits this Final Fairness Report related to the RFP stage for the Acute Care Hospital procurement process for the Government of Newfoundland and Labrador and the Western Regional Health Authority (collectively, the “Authority”).

This final report covers the activities of the Fairness Advisor, from the conclusion of the Request for Qualifications (RFQ #10915) and the announcement on June 7, 2018 of the short-listing of two (2) Proponents as qualified to participate in the second stage Request for Proposals (RFP) process, followed by the release of the RFP on July 6, 2018, through to the Authority’s receipt of Submissions completion of the evaluation and ranking of the written Submissions received from Proponents in response to the RFP, and the conduct of due diligence clarifications by the Authority; resulting in the identification of the highest ranked Proponent to be recommended to the Authority’s Steering Committee, followed by the Provincial Cabinet’s approval to proceed with Financial Close, including execution of the Project Agreement, to notification of Proponents through to Financial Close and debriefing of the unsuccessful Proponent.

The report includes a summary of the scope and objectives of our assignment, the methodologies applied and relevant observations from the activities undertaken during this stage, and our opinion of assurance on the process conducted.

RFP Solutions Inc. is an independent third party with respect to this process.

2. Acute Care Hospital Facility - Project Requirements

The Government of Newfoundland and Labrador and the Western Regional Health Authority (collectively “the Authority”) is planning to build a new 164 bed acute care regional hospital facility at a new site in Corner Brook (“the Project”). The new hospital will enhance and expand the scope of clinical services currently provided by the existing Western Memorial hospital (the decommissioning of the existing Western Memorial Hospital is outside the scope of the Project). The new facility is expected to consist of approximately 50,000 m² and will provide clinical areas and services including inpatient, mental health, maternity, interventional, ambulatory care, emergency, cancer care, medical imaging, lab, concierge and regional and shared support.

The Project will include the design, construction, financing and maintenance of the acute care hospital facility, along with developing a number of areas of Site Works and integrating a number of areas of Shared Site Infrastructure that will be required for the Project and for the Corner Brook Long Term Care (CBLTC) facility (currently being developed pursuant to a separate Agreement), which is to be located adjacent to the Project.

3. Fairness Advisor's Activities and Observations

RFP Solutions Inc. provided Fairness Advisor activities for the Project including:

- Review of the conclusion of the RFQ process and notification of Proponents;
- Review of the RFP solicitation documents including addenda and responses to Proponent inquiries;
- Review of the Authority's protocols and oversight of the conduct of Meetings with Proponents during the RFP solicitation period;
- Review and provision of comments on the evaluation materials and process, including structure, role, confidentiality and conflict of interest, document safe-guarding, and provision of instructions to the Evaluation participants with respect to fairness and alignment to RFP documents;
- Verification of Submissions received and conduct of Administrative and Mandatory Requirement review;
- Oversight of the evaluation of Submissions and attendance at the Review Team, Evaluation Team and Evaluation Committee meetings, including consensus, and providing review and comment on clarification questions to Proponents and responses with respect to fairness and alignment to the RFP requirements; and
- Review of the final evaluation results for the RFP that identified the highest ranked Proponent to be recommended as the Preferred Proponent eligible to enter into the process for Agreement finalization and Financial Close.
- Monitor Financial Close, Notifications and Debriefings, as required.

4. Methodology

The Role of the Fairness Advisor

In all respects, the Fairness Advisor serves as a neutral and objective third-party during the procurement process, with no interest, financial or otherwise, in the outcome of the process, other than ensuring that an open, fair and transparent process was followed.

The following Principles of Fairness were used in the conduct of this mandate and in arriving at our Opinion on the fairness of the RFP process to date:

1. **Transparency** – the process is open and accessible to all participants;
2. **Integrity** – the process is undertaken in accordance with what is ethically right and proper;
3. **Equality** – all participants are subject to the same rules and opportunities;
4. **Neutrality** – all participants are treated with an absence of bias or favouritism;
5. **Consistency and Compliance** – all participants are assessed in accordance with the solicitation and applicable legislation, policy and regulations; and
6. **Objectivity** – all observations and assessments are evidence-based.

In accordance with the terms of our engagement, we familiarized ourselves with the relevant documents and observed solicitation activities (e.g., review of the RFP, Questions and Answers, and Addenda, attended meetings between the Authority and Proponents during the solicitation period, attended the evaluation of Submissions leading to the identification of the highest ranked Proponent by the Authority), identifying any fairness-related matters to the Project Lead and

reviewing that responses and actions of the Authority were reasonable and appropriate.

4.1 Proponent Notifications

At the conclusion of the first stage RFQ process, the following two (2) Respondents were determined to be the two (2) pre-qualified Proponents eligible to participate in any second stage RFP:

- Atlantic Healthcare Partnership
- Corner Brook Healthcare Partnership

Following the conclusion of the RFQ process the Province's Cabinet determined to proceed with the second stage RFP process to the two (2) pre-qualified Proponents identified at the conclusion of the RFQ stage.

The Authority prepared notifications to the two (2) pre-qualified Proponents.

Activities and Observations

The Fairness Advisor reviewed each of the notifications to ensure the equity of information provided to each of the pre-qualified Proponents prior to their issuance by the Authority. No fairness issues were identified.

No fairness concerns were observed.

4.2 RFP Development

The second stage RFP was developed by the Authority, supported by the Authority's Procurement/Financial, Technical, and Legal Advisors. In the development of the solicitation documents, the necessity to ensure fair access to this opportunity was affirmed by all participants.

Activities and Observations

The development of the solicitation was undertaken in a fair, open and transparent manner. The Fairness Advisor had the opportunity to fully review and comment on all documentation, including the RFP, evaluation criteria and process, draft Project Agreement and associated Schedules and Appendices, prior to the release of the RFP to the pre-qualified Proponents.

During this period, the Fairness Advisor provided comments related to the overall fairness of the procurement documents and process design, which were addressed by the Authority throughout this stage. The Fairness Advisor observed no fairness issues.

4.3 Solicitation Period

RFP Issuance

The RFP document (including the main body, Appendix A containing the evaluation criteria and Appendix B containing the Submission Requirements) was issued to the two (2) pre-qualified Proponents via the Province's secure electronic Data Room (Firmex) on July 6, 2018. The RFP had an initial closing date and time for Technical Submissions of January 31, 2019 at 3:00pm Newfoundland Time and an initial closing date and time for Financial Submissions of February 14, 2019 at 3:00pm Newfoundland Time. Proponents also had the opportunity to submit Initial

Interest Rate Setting Submissions (IRSS) at their election by December 6, 2018, Interim IRSS by January 10, 2019, and were required to submit a Final IRSS on February 7, 2019 (each by 3:00pm Newfoundland Time).

The Authority prepared the secure electronic Data Room (Firmex) to enable subsequent access by Proponents to updates to the RFP, as well as its RFP as well as its associated attachments and forms, the Project Agreement, including its Schedules and Appendices, and any additional background and Project information that would be released throughout the solicitation period.

Activities and Observations

The Province was very forthcoming with information and the Fairness Advisor was provided with full access to all RFP and Project Agreement documentation for review and comment prior to its release by the Authority.

The Fairness Advisor was provided with full access to the Firmex Data Room and process documentation. No fairness concerns were observed.

All Proponents Introductory Meeting

During the solicitation period, the Authority held an All Proponents Introductory Meeting in Corner Brook, Newfoundland to provide Proponents with an orientation to the Project and RFP requirements and process. The Meeting was held on July 31, 2018, and consisted of a presentation of the Project by the Authority supported by its Procurement/Financial Advisor, followed by a Question and Answer period during the meeting and Proponent Site Tours of the Corner Brook Acute Care Hospital and Western Memorial Hospital sites.

Activities and Observations

The Fairness Advisor was consulted by the Authority on the protocols for the Meeting and Site Visits. The Fairness Advisor reviewed the All Proponents Introductory Meeting presentation material prior to its presentation to Proponents and attended the All Proponents Introductory Meeting to observe the Presentation and the Project Meeting's Question and Answer period and the Site Visits. No fairness concerns were observed.

Business to Business Networking Session

During the solicitation period, the Authority organized a Business to Business (B2B) networking session in Corner Brook, Newfoundland with the intent of assisting Proponents in meeting local and Provincial businesses to support the establishment of potential partnerships and subcontracts to fulfill the Project requirements.

The B2B networking session took place at the Authority's facilities in Corner Brook, Newfoundland.

The session consisted of presentations by the Authority, followed by the opportunity for Proponents and local/Provincial businesses to network.

Activities and Observations

The Authority consulted with the Fairness Advisor on its plans to hold the B2B networking session. The Fairness Advisor reviewed the Authority's protocols, plans and presentation materials for the session, together with the Authority's notifications prior to their issuance to Proponents.

The Fairness Advisor attended and observed the conduct of participants in the B2B networking session.

No fairness issues were observed.

Confidential Collaborative Meetings (CCMs)

As set out in the RFP, a series of four (4) CCMs per Proponent were initially scheduled, including three (3) Technical CCMs and one (1) Legal CCM.

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|------------------|--|
| Technical CCM #1 | Held at the Authority's facilities in Corner Brook, Newfoundland – September 18-19, 2018; |
| Technical CCM #2 | Held at the Authority's facilities in Corner Brook, Newfoundland – November 6-7, 2018; |
| Legal CCM | Held at the facilities of the Authority's external Legal Advisor in Toronto, Ontario – November 27-28, 2018; and |
| Technical CCM #3 | Held at the Authority's facilities in Corner Brook, Newfoundland – December 11-12, 2018. |

Following the conduct of the scheduled CCMs as set out in the RFP Timetable, an additional ad hoc CCM was made available by the Authority to both (2) Proponents to provide both Proponents the opportunity to discuss issues or challenges associated with the Project Schedule and Snow Management requirements. The ad hoc CCM was conducted for each Proponent on January 28, 2019 by webinar / tele-conference.

Prior to each CCM, the Authority requested the two (2) Proponents to prepare Submittals for presentation at the CCM, to be uploaded by the Proponents to their secure space in the Data Room prior to the CCM. These Submittals were reviewed by the Authority's CCM participants, including the Authority's Advisors, prior to each CCM. Following each of the CCMs, the Authority prepared written feedback for Proponents on their CCM submittals relative to the Submittals' status vis-à-vis the requirements of the Project Agreement.

Activities and Observations

Prior to the conduct of the CCMs the Fairness Advisor was invited by the Authority to provide guidance on the CCM protocols. The Authority affirmed and agreed: that no Authority information was to be shared unevenly across Proponent teams; that no proposed solutions would be "pre-evaluated" or direction given to any one Proponent; to refrain from providing definitive responses during the sessions by requesting Proponents to make use of the RFI process set out in the RFP in order to obtain responses on which the Proponents could rely, and to maintain the confidentiality of all aspects of each Proponents' meetings and questions raised from all other Proponents.

Prior to each CCM, the Fairness Advisor had the opportunity to review the CCM Agenda and requested Submittals, to confirm that each Proponent received the same amount of time for each session, that topics were within the scope of the defined meeting and the RFP, and that all Proponents were provided with a consistent process and Submittal requirements. The Fairness Advisor also had the opportunity to review the Submittals (e.g. design materials) submitted by each Proponent for the CCMs.

The Fairness Advisor attended and oversaw all aspects of each of the CCMs, including the ad hoc CCM and provided fairness comments to the Authority and Proponents as appropriate during the sessions. All Proponents received the same amount of time and were subject to the same rules of procedure. No fairness concerns were observed.

Following each of the CCMs, the Fairness Advisor reviewed the Authority's prepared written

feedback for each Proponents on their CCM Submittals to verify that consistent information was provided to each Proponent on the Authority's PA requirements and that the confidentiality of Proponent-specific designs was maintained. No fairness concerns were observed.

Proponent Inquiries Process

During the solicitation period, Proponents were provided the opportunity to submit inquiries (Requests for Information – RFIs) to the Authority, using the RFI form contained within the published RFP document.

In accordance with the RFP, Proponents were able to classify their inquiries as 'general' with the understanding that questions and responses provided by the Authority would be issued equally to all Proponents, or as 'confidential'. For inquiries marked 'confidential' by Proponents, as set out in the RFP, the Authority reviewed each inquiry to determine whether it contained proprietary information or confidential information particular to a Proponent's approach or design and would be responded to in writing directly to the asking Proponent, or whether the question was of a more general nature and the response to which would be equally provided to all Proponents. For all such 'confidential' questions that the Authority identified as being 'general' in nature, the asking Proponent was provided the opportunity to re-classify its question as 'general' or to withdraw the question prior to the Authority making any response.

During the Solicitation period, the Authority responded to 245 General RFIs via Response to Inquiries documents issued to all Proponents via the Data Room, and 44 Commercial in Confidence RFIs submitted by the two (2) pre-qualified Proponents and issued to each respective Proponent via their secure Proponent-specific space within the Data Room. Five (5) RFIs related to Financial Submission matters were responded to following the Submission Deadline for Technical Submissions, but prior to the Deadline for Financial Submissions; with the final RFI response issued on April 11, 2019.

Activities and Observations

The Fairness Advisor reviewed all RFIs submitted by Proponents and was consulted by the Authority in its review and determination on inquiries submitted as 'confidential'. The Fairness Advisor also reviewed all responses drafted by the Authority prior to their release to Proponents via the RFP Data Room. The Fairness Advisor provided comments that were duly considered and incorporated by the Authority, and no fairness concerns were identified.

Changes to Proponent Team Members and Key Individuals requested following RFP issuance

During the Solicitation period, as set out in the first stage RFQ and second stage RFP, Proponents wishing to make changes to Proponent Team Members or Key Individuals were required to submit a request for the Authority's consideration, detailing the reason for the proposed change and providing the Authority with information on the qualifications of the proposed replacement commensurate with the information originally provided by Proponents in their Submission in response to the first stage RFQ requirements. During the Solicitation period, the Authority received three (3) such requests, two (2) from one (1) Proponent requesting a change to a Key Individual, and the other one (1) from one (1) Proponent requesting a change to the structure of the Proponent's Team Members.

Activities and Observations

The Fairness Advisor was consulted by the Authority and reviewed each proposed change/replacement, together with the supporting documentation provided by the Proponents. The Fairness Advisor also monitored the Authority's review and determinations of each

requested change. In each instance, the Authority first reviewed whether the reason for the requested change was reasonable, and where it was determined to be reasonable, conducted an assessment of the proposed replacement or change against the requirements as established in the first stage RFQ; to determine whether the proposed change would be acceptable to the Authority. Where a change was determined to be acceptable, the Authority then reviewed to identify whether there would be any impact to the status of the Proponent as a pre-qualified Proponent.

For the proposed changes to Key Individuals, the Authority determined each of the proposed replacement Key Individual met the qualification requirements as set out in the RFQ and did not impact the status of the Proponent as a pre-qualified Proponent. The Fairness Advisor monitored the original RFQ evaluation team's consideration of these requested changes and had no fairness concerns.

In review of the Proponent's request to make a change to its Team Member structure, the structure of the change and the Financial Capacity of the entity was first reviewed by the Authority's Procurement/Financial Advisor, in accordance with the process and requirements established in the first stage RFQ. This information was shared with the Fairness Advisor. The Authority then reviewed and determined that the changes were acceptable and did not impact the status of the Proponent as a pre-qualified Proponent. The Fairness Advisor monitored these deliberations and had no fairness concerns.

Addenda Process

During the solicitation period, the Authority issued fifteen (15) Addenda to the RFP between the period of September 5, 2018 and April 11, 2019. In addition, the Authority issued conformed versions of the RFP, Appendices and Project Agreement documents to reflect changes made via responses to RFIs throughout the solicitation period; as well as published the Energy Adjustment Model and a final Schedule of Accommodations Variance Table for Proponents.

Three (3) Addenda related to Financial Submission matters were issued following the Submission Deadline for Technical Submissions, but prior to the Deadline for Financial Submissions; with the final Addendum issued on April 11, 2019.

The Addenda contained revisions to the PA and RFP requirements, together with extensions to the RFP closing date(s) and time(s) for all Submission components; resulting in the following Submission Dates:

- Initial IRSS (at the Proponents' election): December 13, 2018;
- Technical Submission: March 14, 2019;
- Interim IRSS: March 21, 2019
- Final IRSS: April 11, 2019; and
- Financial Submission: April 18, 2019;

With all Submissions due at 3:00pm Newfoundland Time on the applicable date.

Activities and Observations

The Authority consulted with the Fairness Advisor on its approach to changes to the RFP requirements arising as a result of available information on site conditions, changes to clinical programming requirements, and matters arising as a result of Proponent inquiries.

The Fairness Advisor reviewed all addenda as well as the conformed RFP, Project Agreement documents, and the Energy Adjustment Model and final Schedule of Accommodations Variance Table, prior to their issuance by the Authority. Overall, no fairness concerns were identified

during the solicitation period, and there were no fairness concerns with respect to the Addenda or documents issued by the Authority during the solicitation period.

4.4 Evaluation Preparation and RFP Closing

In preparation for the closing of the RFP, the Authority prepared evaluation workbooks, an evaluation manual and orientation training for the members of the Evaluation Teams. Evaluation orientation training was conducted on March 13, 2019 for the majority of evaluation process participants. A few individuals were not able to attend the group training due to scheduling conflicts. These individuals were provided with guidance on the evaluation process and tools, consistent with those provided to the participants attending the group training.

The Authority prepared a Non-Disclosure Agreement and Conflict of Interest undertaking that all members of the Evaluation and other participants present during the evaluation process were required to complete prior to their participation in the evaluation process.

The Authority also confirmed the participants in the evaluation process, which was structured as follows:

- Three (3) Evaluation Teams, each comprised of representatives of the Province and WRHA with expertise in their respective evaluation areas. One team was responsible for each of the following areas:
 - Design-Build Technical Evaluation;
 - Services Technical Evaluation;
 - Financial Capacity and Price Financial Evaluation.
- An Evaluation Committee, comprised of representatives of the Province and WRHA; who were mandated to conduct a consensus review and determination, taking into consideration the input of the three (3) Evaluation Teams.

The Evaluation Teams and Evaluation Committee were supported by a series of working groups comprised of Authority and WRHA personnel and supported by the Authority's retained Technical Advisors. Three (3) Advisory Teams and Groups provided detailed subject matter review in the areas of Building and Lands; IM/IT; and Energy; reporting to the Non-Clinical member of the Design-Build Technical Evaluation Team. Two (2) Advisory Teams and Groups provided detailed subject matter review in the areas of Equipment and Clinical Platforms; reporting to the Clinical member of the Design-Build Technical Evaluation Team. One (1) Advisory Team provided detailed subject matter review in the area of Services, reporting directly to the Services Evaluation Team.

The Advisory Teams, Groups, Evaluation Teams and Evaluation Committee were assisted by the Authority's Procurement/Financial Advisor mandated to support the receipt and distribution of Submissions and coordination of the evaluation process, together with the provision of subject matter expertise to the Financial Evaluation Team to provide review and analysis of the Financial Submissions for capacity and calculation of the net present cost and any adjustments thereto in accordance with the RFP.

In addition, the participants in the evaluation process were supported by an independent Relationship Review Committee, charged with reviewing the conflict of interest and confidentiality undertakings of all evaluation participants.

At each of the Closing Dates for the Submission components, Submissions were received from each of the two (2) pre-qualified Proponents (AHP and CBHP) as follows:

- Two (2) Initial IRSS Submissions were received by the required date and time for these Submissions;
- Two (2) Technical Submissions were received by the required date and time for Technical Submissions;
- Two (2) Interim IRSS Submissions were received by the required date and time for these Submissions;
- Two (2) Final IRSS Submissions were received by the required date and time for these Submissions; and
- Two (2) Financial Submissions were received by the required date and time for these Submissions. Financial Submissions remained sealed and were distributed unopened to the Authority's Procurement/Financial Advisor to conduct Financial Capacity analysis at a secure location off-site and segregated from the Authority's facilities.

Activities and Observations

The Fairness Advisor was consulted on the structure of the evaluation process, and provided comments that were duly considered and incorporated by the Authority. The Fairness Advisor reviewed the evaluation workbooks, manual and training to confirm they were in conformance to the RFP and no fairness issues were identified. The Fairness Advisor attended the evaluation orientation training.

The Fairness Advisor was provided the opportunity to review the Non-Disclosure Agreement and Conflict of Interest undertaking.

The Fairness Advisor provided assurance as to the objectivity of evaluation criteria and process; and provided guidance on the principles of fairness, to mitigate the potential for inconsistency or errors in the eventual application of evaluation criteria by the Evaluation participants.

At each of the Closing Dates for the Submission components, the Fairness Advisor verified with the Province that Submissions were received on time from Proponents. No fairness concerns were observed.

4.5 Opening of Technical Submissions, Administrative Review and Distribution of Technical Submissions

All Proponent Technical Submissions were received in both hard and electronic copy by the Authority. The Authority's Procurement/Financial Advisor uploaded a copy of each of the Submissions to each of the Evaluation participants' respective secure spaces in the Project Team's Data Room. In addition, the Authority established procedures for secure check-in / check-out and handling of hard copy submissions at its facilities in Corner Brook and St. John's.

The Technical Submission envelopes were opened by the Authority following the Closing date and time for Technical Submissions.

A review of administrative mandatory requirements was undertaken of the two (2) Technical Submissions received. Both Technical Submissions were deemed to be responsive to these requirements as stated in the RFP and therefore eligible to proceed to technical evaluation.

The Authority confirmed the identities of the Proponent Team Members and Key Individuals to verify there were no changes from the Proponents' previously submitted structure, Team Members and Key Individuals (as submitted in response to the RFQ and as changed by any authorized changes as permitted by the Authority in response to Proponent inquiries during the course of the solicitation period). The Authority then implemented the Relationship Review

process, requiring each member of the Evaluation process to review and identify any existing or previous relationships with any of the submitting Proponents, identified Team members, or Key individuals named in the Submissions to verify there were no conflict of interest concerns. This information was reviewed by the Province's Relationship Review Committee, and reviewed by the Fairness Advisor.

Following the completion of the Relationship Review process, copies of the Technical Submissions were provided to the members of the Evaluation Teams, to begin their individual reviews and assessments on the basis of the Rated Criteria of the RFP. The Authority consulted with the Fairness Advisor on its process for handling, shipment and storage of the Submissions and associated records.

Activities and Observations

The Submission Opening was conducted in accordance with the RFP and Evaluation Manual, and no fairness issues were observed.

The Fairness Advisor reviewed the results of the administrative mandatory requirement review to assess them against the requirements in the RFP. Based on the Fairness Advisor's review of the assessment of Proponents' compliance with the administrative mandatory requirements, the Fairness Advisor observed no fairness concerns.

The Fairness Advisor reviewed the Relationship Review statements of the evaluation participants together with the Province's determinations. The Province was very forthcoming with information, and no fairness issues were identified.

The Fairness Advisor made inquiries of the Authority and verified the procedures for safeguarding Proponent Submission contents in both hard and electronic copy and ensuring security of access by those authorized evaluation participants to the respective components, in order to maintain separation of Technical and Financial information. No fairness concerns were observed.

4.6 Technical Submission Evaluation

As noted above, the technical evaluation was conducted by two (2) Evaluation Teams, each responsible for the following areas:

- Design-Build Technical Evaluation; and
- Services Technical Evaluation.

The Evaluation Teams included representatives from the Government of Newfoundland and Labrador and the Western Regional Health Authority.

Each of the Evaluation Teams was mandated with conducting independent evaluations, followed by team consensus evaluations for their assigned sections of the RFP evaluation criteria.

As noted, the Evaluation Teams were supported by subject matter Working Group and Advisory Teams. Each member of these supporting Groups/Teams conducted an independent review of the components of the Proponents' Submissions within their respective areas of subject matter expertise. The Working Groups and Advisory Teams were each mandated to deliver to the Evaluation Teams a summary report of the compliance of each Proponents' Submission with the requirements of the Project Agreement within the Groups'/Teams' areas of subject matter expertise. Review and presentations

The evaluation process participants also had access to the Province's Procurement Advisor and the Fairness Advisor as required during the conduct of the evaluation.

For each of the Evaluation Teams, the members completed individual evaluations following the participants' being cleared by the Relationship Review Committee and the start of the evaluation consensus (May 1, 2019). Each of the Design-Build and Services Evaluation Teams and their supporting Working Groups/Advisory Teams held a series of clarification meetings during this time to bring forward any questions pertaining to the Working Groups/Advisory Teams' areas of subject matter expertise for review from the Proponents Submissions, as well as to forward any questions for clarification required from Proponents.

Each subject matter team met separately over the period of April 2 – April 12, 2019 to identify progress and any questions, with clarification meetings held for each of the IM/IT, Non-Clinical (encompassing both Buildings and Lands, and Energy), Services and Equipment groups. In addition, the Clinical Working Group and Advisory Team met over the period of April 1 - April 5, 2019 to review the compliance of Proponents' submitted designs with the functional program requirements of the Project Agreement.

Clarification questions were identified as potentially being required to be asked of Proponents to support the consensus determinations. The clarification questions were developed by the Authority and responses reviewed in the finalization of the consensus determinations for each Team (see below). In addition, at each meeting, as required the Evaluation Team members identified subject matter questions for the Advisory Team and Working Group members to review in detail, in order to provide a factual statement of the compliance of Proponents' Submissions with the requirements of the Project Agreement.

Prior to the commencement of the Technical Consensus evaluation by each Evaluation Team, the Authority's Technical Advisors presented subject matter reports from their review of the Proponents' Submissions to the members of the Evaluation Teams and the Evaluation Committee. The Reports were reviewed with the Evaluation Teams in draft in advance of the presentation, and their contents were formally presented to the Evaluation Teams and the Evaluation Committee over April 29-30, 2019.

Technical Consensus evaluations were held on May 1, 2019 for the Services Team and May 1-2, 2019 for the Design Build Team to determine the results of each of the Team evaluations for presentation to the Evaluation Committee.

During the May 1, 2019 Facilities Maintenance Services Team's Consensus meeting the team confirmed they had reviewed and scored the Submissions individually, and were thorough, balanced and consistent in the review of the Submissions. Prior to convening for consensus, the Team identified the need to ask clarifying questions for each Submission to clarify what was put forward in the Submission, which were responded to by each Proponent. The Services Team reviewed the Proponents' responses to the clarification questions prior to concluding their consensus determinations.

During the May 1-2, 2019 Design Build Team's Consensus meeting the team confirmed they had reviewed and scored the Submissions individually, and were thorough, balanced and consistent in the review of the Submissions. During the consensus session, the Team identified the need to ask for a clarification for one (1) Submission to clarify what was put forward in the Submission, which were responded to by the Proponent. The Design Build Team reviewed the Proponent's responses prior to concluding their consensus determinations.

At the commencement and again at the conclusion of each Evaluation Team meeting, the Authority reminded participants of the on-going obligations to maintain confidentiality of the

process and findings.

Activities and Observations

The Fairness Advisor was available to answer questions of the Evaluation Teams, Working Groups and Advisory Teams during the individual review stage, the meetings for each Team/Group and the consensus meetings. The Fairness Advisor had the opportunity to review the reports put forward by each Working Group/Advisory Team and attended the presentation of each to the Evaluation Teams and Evaluation Committee.

All clarification questions were reviewed by the Fairness Advisor prior to their issuance to the Proponents and the responses were reviewed by the Fairness Advisor.

The Fairness Advisor oversaw the technical evaluation consensus process and attended and oversaw all consensus meetings for the Design-Build and Services Evaluation Teams.

The Fairness Advisor reviewed the results of the consensus technical evaluations and verified the record of scoring and rationales.

The Fairness Advisor confirmed that the evaluation was undertaken in a manner consistent with the evaluation procedures and criteria contained within the RFP and that the results were arrived at by consensus of all members of the respective Evaluation Teams.

No fairness concerns were observed.

4.7 Initial, Interim and Final IRSS, Financial Submission Receipt and Analysis

Initial IRSS Submissions were received on December 13, 2018 and reviewed by the Authority's Procurement/Financial Advisor. No clarifications were identified as required on the Initial IRSS Submissions as a result of this review.

Interim IRSS Submissions were received on March 21, 2019 and reviewed by the Authority's Procurement/Financial Advisor. As a result of this review, it was determined that clarification was required on one (1) of the Interim IRSS Submissions, which was clarified by the Proponent. Procurement/Financial Advisor.

Final IRSS Submissions were received on April 11, 2019 and reviewed by the Authority's Procurement/Financial Advisor. As a result of this review, it was determined that clarification was required on one (1) of the Final IRSS Submissions, which was clarified by the Proponent.

Financial Submissions were received on April 18, 2019. An administrative review of the Financial Submissions was conducted by the Authority's Procurement/Financial Advisor independent from the Authority's personnel, and as a result, both (2) Financial Submissions were determined to meet the requirements and be eligible for further evaluation.

Financial Submissions were initially reviewed by the Authority's Procurement/Financial Advisor, to support the assessment of Financial Capacity of each Proponent based on financial statements, as well as support analysis of the proposed Financial Model. This review was undertaken in a secure location of the Procurement/Financial Advisor and segregated from the Authority's personnel and the technical evaluation process.

The Financial Evaluation Team was comprised of representatives from the Authority and the Authority's Procurement/Financial Advisor (Ernst and Young).

The Financial Evaluation Team was mandated with conducting independent evaluations,

followed by team consensus evaluations for their assigned sections of the RFP evaluation criteria.

The evaluation participants had access to the Province's Legal Advisor and Fairness Advisor as required during the conduct of the evaluation.

For the Financial Evaluation Team, the members completed individual evaluations prior to convening for consensus evaluation on May 3, 2019 to determine the results of the Team evaluations of Financial Capacity for presentation to the Evaluation Committee for final consensus.

During the May 3, 2019 Financial Capacity Team's Consensus meeting the Team members confirmed they had reviewed the Submissions individually, and were thorough, balanced and consistent in the review of the Submissions. The review of financial statements informing the Financial Capacity Team's consensus was conducted by two (2) representatives from Ernst and Young, subject to Non Disclosure Agreements. The Evaluation Team reaffirmed the confidentiality measures in place for confidential financial statements were respected. The Authority's representatives on the Financial Evaluation Team made inquiries on the review of the financial statements to participate fully in this component of the Financial Evaluation.

The Financial Evaluation Team was also responsible to conduct the calculations of the Net Present Cost of each Submission and the Adjusted Net Present Cost calculated as a result of the impact of the Energy Adjustment Model on the Proponents' Submissions. This calculation was conducted by the Authority's Procurement/Financial Advisor, separate from the other members of the Financial Evaluation Team, and presented to the Financial Evaluation Team for review and confirmation during the consensus meeting.

At the commencement and again at the conclusion of the consensus Evaluation Team meeting, the Authority reminded participants of the on-going obligations to maintain confidentiality of the process and findings.

Activities and Observations

The Fairness Advisor confirmed the receipt of each of the Initial, Interim and Final IRSS Submissions and was consulted on the process for issuing and receiving responses to the required clarifications in order to maintain the separation of financial information from the Authority, and reviewed the clarifications prior to their issuance to the Proponent. The Fairness Advisor reviewed the responses received and the disposition of these responses. No fairness concerns were identified.

The Fairness Advisor reviewed the results of the administrative mandatory requirement review of the Financial Submissions to assess them against the requirements in the RFP. Based on the Fairness Advisor's review of the assessment of Proponents' compliance with the administrative mandatory requirements, the Fairness Advisor observed no fairness concerns.

The Fairness Advisor was available to answer questions of the Evaluation Team during the individual review stage and the consensus meeting.

All clarification questions and responses were reviewed by the Fairness Advisor.

The Fairness Advisor oversaw the Financial evaluation consensus process and attended and oversaw all consensus meetings for the Financial Evaluation Team.

The Fairness Advisor reviewed the results of the consensus evaluations of Financial Evaluation Team and verified the record of assessment and rationales.

The Fairness Advisor confirmed that the evaluation was undertaken in a manner consistent with the evaluation procedures and criteria contained within the RFP and that the results were arrived at by consensus of all members of the Evaluation Team.

The Fairness Advisor monitored the review of the Net Present Cost calculations with the Financial Evaluation Team and made inquiries to assure itself that the process had been conducted in accordance with the RFP. No fairness concerns were observed.

No fairness concerns were observed.

4.8 Evaluation Committee Review and Overall Ranking

The results of the Design-Build and Services Teams' Consensus meetings and the results of the Financial Team Consensus (including review of clarifications received, as noted above) were brought forward to the Evaluation Committee for review and commencement of consensus of the entire Technical evaluation process on May 8, 2019 and review and consensus on the Financial evaluation process following the conclusion of the Technical evaluation process on May 8, 2019.

Each Evaluation Committee member had completed an independent review of each Technical Submission prior to the Evaluation Committee meeting.

Each Evaluation Team's outcomes and associated comments were presented in sequence (one Evaluation Team at a time), and each Proponent's Submission was reviewed in sequence (one Submission at a time).

The Technical Submissions and scoring were reviewed first, prior to review of Proponents' Financial capacity assessment and finally the Financial Submissions.

Review of Technical Submissions

During the review of each Proponent's Technical Submission, the members of the Evaluation Committee made inquiries of the Evaluation Teams and provided their assessments of the Technical Submissions against the evaluation criteria to arrive at an overall consensus determination. During this review, the Evaluation Team also requested that the supporting Advisory Teams provide additional commentary on various technical matters to finalize the evaluation record.

As set out in the RFP, both Proponents' Submissions were determined by the Evaluation Committee to be eligible to be considered further.

Review of Financial Submissions

Following the conclusion of the Evaluation Committee's consensus on the Technical Submissions, the Financial Submissions were reviewed.

The Financial Evaluation Team and the Authority's Procurement/Financial Advisor presented its analysis of the financial statements and affirmed its previous assessment of the Submissions. The results of this review were presented to and affirmed by the Evaluation Committee.

During the review of each Proponent's Financial capacity, the members of the Evaluation Committee made inquiries of the Financial Evaluation Team and came to consensus for each Submission.

Both Proponents were determined to have met the Financial Capacity requirements in order to be considered further.

Following the completion of the Financial capacity assessment, the results of the Net Present Cost calculations were reviewed and the Financial Evaluation was conducted to determine the point score calculations for each Submission in accordance with the method set out in the RFP.

Final Consensus, Calculation of Total Scores and Proponent Ranking

At the conclusion of the evaluation, the Evaluation Committee confirmed the consensus scores for each Proponent on May 8, 2019.

Following the confirmation of consensus scores, the weighted scores for each Submission were calculated and tallied to arrive at the overall Total Score for each Submission as set out in the RFP.

At the conclusion of the evaluation process, based on the Total Scores achieved by each Submission, the Evaluation Committee identified Corner Brook Healthcare Partnership (CBHP) as the highest ranked Proponent to be recommended to the Steering Committee for entry into Financial Close and Agreement finalization activities, subject to approval of the Provincial Cabinet.

Activities and Observations

The Fairness Advisor oversaw the conduct of the Evaluation Team presentations and Evaluation Committee meeting discussions and determinations.

The Fairness Monitor oversaw the Evaluation Committee's final review and consensus on the Technical Submissions. The deliberations and determinations of the Evaluation Teams and Evaluation Committee were consistent with the criteria as published in the RFP, and undertaken in a fair and consistent manner. No fairness concerns were observed.

The Fairness Advisor oversaw the conduct of the Financial Evaluation, together with the weighting of the Technical and Financial scores to affirm their conformance to the weightings and formulae published in the RFP. No fairness concerns were identified.

Following the conclusion of the Evaluation Committee's meetings, the Fairness Advisor was provided the opportunity to review the consolidated Evaluation outcomes. The recorded outcomes were an accurate record of the consensus decisions of the Evaluation Committee.

The Fairness Advisor reviewed the Evaluation Committee's recommendations and confirms they are in concordance with the evaluation results. No fairness concerns were observed.

4.9 Financial Close, Notifications and Debriefings

Following receipt of approval from Cabinet to proceed with negotiations, the Province commenced the process to notify Proponents and achieve Financial Close, including execution of the Project Agreement. The successful Proponent, CBHP, was notified on June 20, 2019 and invited to enter into negotiations.

The unsuccessful Proponent, AHP, was notified by the Province of the outcomes of the process on June 28, 2019 and provided the opportunity to request a debriefing. The Province conducted the debriefing on September 26, 2019.

Financial Close was achieved on August 9, 2019. The Fairness Advisor was not involved in the process to finalize Financial Close but was kept apprised of the Province's progress in this regard.

Activities and Observations

In regard to the Financial Close, the Fairness Advisor confirmed that the negotiation conditions identified in Annex A of the notification letter were satisfied and the required security was provided by the CBHP. The Fairness Advisor also verified the Net Present Value of the agreement to ensure it was in alignment with the amount proposed by CBHP in its financial submission.

The Fairness Advisor also made inquiries of the Province to confirm that the unsuccessful Proponent had received the Honoraria for participation in the RFP process.

No fairness concerns were observed,

5. Opinion of Assurance

The Fairness Advisor hereby provides the following unqualified assurance statement concerning the Government of Newfoundland and Labrador's Corner Brook Acute Care Hospital Project RFP process conducted as described herein:

It is our professional opinion that the process we observed as described in this final report has been carried out in a fair, open and transparent manner with the utmost integrity. The Authority acted in a fair and transparent manner at all stages.



Steve Johnston
Managing Director
for RFP Solutions Inc.

July 24, 2020

Date